

SIKKIM

GOVERNMENT **GAZETTE**

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**LAW DEPARTMENT
GOVERNMENT OF SIKKIM
GANGTOK**

No. 06/LD/P/13

Dated: 11.06.2013

NOTIFICATION

The following Act passed by the Sikkim Legislative assembly and having received the assent of the Governor on 18th day of May, 2013 is hereby published for general information:-

THE SIKKIM COOPERATIVE SOCIETIES (AMENDMENT)

ACT, 2013

ACT NO. 6 OF 2013

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ACT

further to amend the Sikkim Cooperative Societies Act, 1978.

Be it enacted by the Legislature of Sikkim in the Sixty-fourth Year of India as follows:-

- Short title, extent and commencement** 1. (1) This Act may be called the Sikkim Cooperative Societies (Amendment) Act, 2013.
(2) It extends to the whole of Sikkim.
(3) It shall come into force at once.
- Amendment of section 2.** 2. In the Sikkim Cooperative Societies Act, 1978,(hereinafter referred to as 'the said Act'); in section 2,-
(i) after clause (b), the following clause shall be inserted, namely:-
"(bb) 'Board' means the Board of Director or the governing body of a Cooperative Society, by whatever name called, to which the direction and control of the management of the affairs of a society is entrusted to."
(ii) after clause (v), the following clause shall be inserted, namely:-
"(vv) 'State Level Cooperative Society' means a Cooperative Society having its area of operation extending to the whole of the State."

- Amendment of section 21.** 3. In the said Act, after sub-section (3) of Section 21, the following sub-section shall be inserted, namely:-
- “(4) A member who fails to attend a minimum number of meetings of the Society or to participate in its activities by availing a minimum quantum of its services, as may be specified in its bye-laws, shall be disqualified from continuing as a member and shall cease to be a member from that day a declaration to that effect is made by a resolution passed by the General Body meeting.”
- Amendment of section 26.** 4. In the said Act, in section 26:-
- (i) for the words and figure ‘such portion of the total share capital of the Society which exceed one-fifth thereof or Rs.20,000/- whichever is less except in case of Urban Cooperative Bank where the maximum ceiling will be Rs.1.00(one)lakh’, the words and figure, ‘5% of the total paid-up share capital’ shall be substituted;
 - (ii) the proviso shall be omitted.
- Insertion of new section 29A. ‘Right of a member to get information’** 5. In the said Act, after section 29,a section shall be inserted, namely:-
“29A Every member of a Society shall have access to its account books and other connected record and information kept in respect of transactions with that member; and the Chief Executive shall make arrangements for the inspection of such records and documents by the member on his request.”
- Amendment of section 32.** 6. In the said Act, in sub-section(1) of section 32, for the words, ‘after the date fixed for making up its accounts for the cooperative year under the rules for the time being in force’ the words, ‘from the closing of the cooperative year’, shall be substituted.
- Amendment of section 34.** 7. In the said Act, after sub-section (1) of section 34, the following sub-sections shall be inserted, namely:-
- “(1a) The election of a Board shall be conducted before the expiry of the term of the board so as to ensure that the newly elected members of the Board assume office immediately on the expiry of the office of members of the outgoing Board;
 - “(1b) The Board shall consist of such number of Directors as may be prescribed by the bye-laws:
Provided that the maximum number of Directors of a Cooperative Society shall not exceed twenty-one members.
 - “(1c) One seat for the Scheduled Castes or the Scheduled Tribes and two seats for women on Board of every Cooperative Society consisting of individuals as members shall be kept reserved to be filled by members from such class or category of persons.”
- Amendment of section 35.** 8. In the said Act, in section 35,
- (i) for the word ‘three’, the word ‘five’, shall be substituted;

- (ii) after the existing proviso, the following proviso shall be inserted, namely:-
‘ Provided further that the Board may fill a casual vacancy on the Board by nomination out of the same class of members in respect of which the casual vacancy has arisen, if the term of office of the Board is less than half of its original term.’
- Amendment of section 38.**
9. In the said Act, after sub-section (3) of section 38, the following sub-section shall be inserted, namely;-
(4) The board shall co-opt certain persons to be members of the board who may be having experience in the field of banking, management, finance or specialization in any other field relating to the objects and activities undertaken by the Cooperative Society:

Provided that the number of such co-opted members shall not exceed 2(two) in addition to 21 (twenty-one) directors and these members shall not have the right to vote in any election of the Cooperative Society in their capacity as such member or be eligible to be elected as office bearers of the Board:

Provided further that the functional directors of a Cooperative Society shall also be the members of the Board and such members shall be excluded for the purpose of counting the total number of directors specified in the proviso to sub-section (1b) of section 34.’
- Amendment of section 39.**
10. In the said Act, after clause (c) of sub-section (6) of section 39, following shall be inserted, namely;-
(d) The Board of other Cooperative Societies except as mentioned in clause (b) above, the Board may be superseded or kept under suspension in case-
(i) of its persistent default; or
(ii) of negligence in the performance of its duties; or
(iii) the Board has committed any act prejudicial to the interest of the Cooperative Society or its members; or
(iv) there is stalemate in the constitution or functions of the Board; or
(v) the authority or officers as provided under sub-section (1) of section 34 has failed to conduct elections in accordance with the provisions of the Act:

Provided that the Board of any such Cooperative Society shall not be superseded or kept under suspension where there is no Government shareholding or loan or financial assistance or any guarantee by the Government:
Provided further that in case of a Cooperative Society carrying on the business of banking, the provisions of the Banking Regulation Act, 1949 shall also apply.’

- Amendment of Section 55**
11. In the said Act, in section 55 after the existing clause (f) the following clause shall be inserted, namely:-
 "(g) The State Government shall take steps for the education and training of members of Societies in Cooperative matters and shall make an annual contribution to the State Cooperative Union which shall be expended in providing training and on information, education and communication activities to educate the public in various aspects of cooperation."
- Amendment of section 64.**
12. In the said Act, in section 64,
 - (i) In clause (a) of sub-section 1, for the words 'A primary agricultural credit society' the words, 'All cooperative societies' shall be substituted, and after the words 'by its committee' the words 'from the panel of Chartered Accountants maintained by the Government' shall be inserted;
 - (ii) after clause (c), the following clauses shall be inserted, namely:-
 "(d) The accounts of every Cooperative Society shall be audited within 6(six) months of the close of the financial year to which such accounts relate.
 - (e) The audited annual statement of accounts of each apex society, alongwith the observations of the auditors thereon, if any, shall be laid before the Legislative Assembly for one full session."
- Insertion of section 64 A 'Societies to furnish returns'**
13. In the said Act, after section 64, a new section shall be inserted namely;-
 "64A Every Society shall furnish to the prescribed authority, within 6(six) months from the close of each cooperative year;-
 - (a) a report on its activities during the year;
 - (b) an audited statement of Accounts for the year;
 - (c) its plan for disposal of surplus generated during the year approved by the General Body;
 - (d) a statement of amendments made to the Byelaws;
 - (e) a declaration regarding holding general body meeting and conduct of elections, if due; and
 - (f) Any other report prescribed under the rules and other information as required by the Registrar under the provisions of the Act."
- Amendment of section 117**
14. In the said Act, in section 117, the following shall be inserted, namely:-
 '(1) The Government may, for the whole or any part of the State of Sikkim and for any class of societies, make rules to carry out the purposes of these Act.'

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